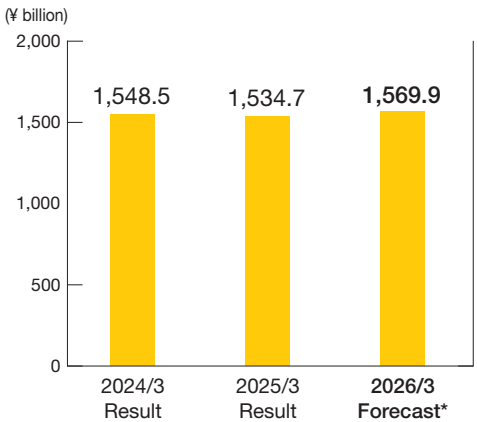


Base Domain

Reinforcement of the *TA-Q-BIN* Network and Enhancement of Value Provided

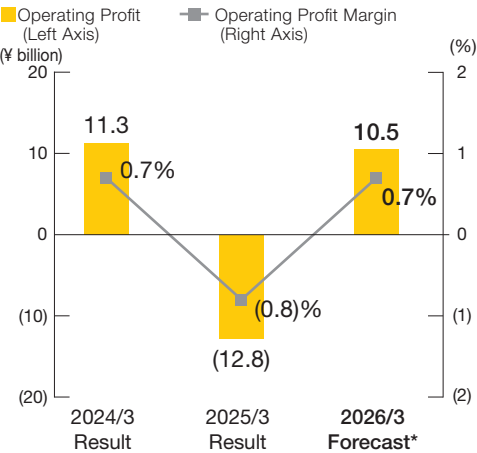
We will structurally transform the *TA-Q-BIN* business for stable earnings and cash flow. We will improve profitability through pricing optimization based on adding value for large corporate clients, and by expanding volume with small companies and individuals. In addition, we will optimize operating costs by increasing the efficiency of transportation and sorting operations to further reinforce our solid business foundation.

Express Business Operating Revenue (External Customers)



* Forecast announced on July 30, 2025

Express Business Operating Profit

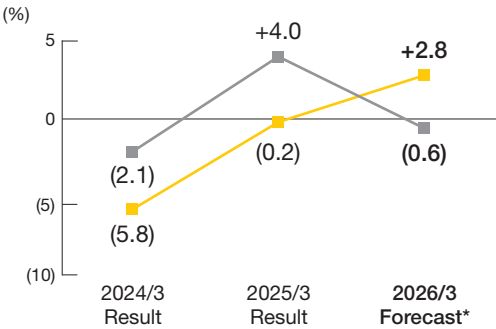


Business Domains

» *TA-Q-BIN* Domain

We provide *TA-Q-BIN* and other services to small companies and individuals, with pickup and delivery facilities and Sales Drivers located throughout Japan. We allocate resources with an emphasis on delivery recipients to provide meticulous service that other companies cannot match, which allows us to charge relatively high freight charges. We will improve profitability by increasing volume while reviewing our delivery charges annually in line with inflation and other considerations.

Parcel Delivery Volume for the Three *TA-Q-BIN* Products (YoY Growth)



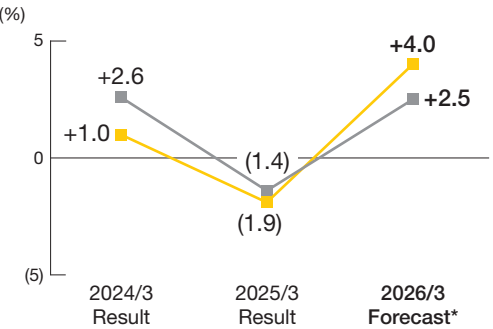
■ TA-Q-BIN Domain
■ Total (TA-Q-BIN Domain + Corporate Domain)

* Forecast announced on July 30, 2025

» Corporate Domain

Our dedicated sales and operations organization for large corporate clients allows us to address a wide range of transportation needs and provide supply chain solutions in collaboration with our Contract Logistics Business and Global Business. We will continue to enhance corporate sales, and improve profitability by transforming our revenue and customer mix through pricing optimization in line with added value, and by identifying truck transport needs in markets besides *TA-Q-BIN*.

Average Unit Price for the Three *TA-Q-BIN* Products (YoY Growth)



■ Corporate Domain
■ Total (TA-Q-BIN Domain + Corporate Domain)

MESSAGE

TA-Q-BIN Business Structural Reform to Balance Earning Power and Social Value

Seiichi Awa

Representative Director,
Executive Officer and President
Yamato Transport Co., Ltd.

Mr. Awa joined Yamato Transport in 1993. In 2007, he became the Kochi Regional Branch Manager, and in 2015 he became Executive Officer and Corporate Strategy Department Manager. In March 2020, he became Representative Director and President of Yamato System Development Co., Ltd. In February 2022, he became Managing Executive Officer (South Kanto Region) of Yamato Transport Co., Ltd., and in October 2024, he became Senior Managing Executive Officer (Responsible for Network Restructuring), before assuming his current position in April 2025.



The Yamato Group is celebrating its 106th anniversary this year, and next year will celebrate the milestone 50th anniversary of *TA-Q-BIN* services, a core Group business. I became president of Yamato Transport Co., Ltd. in April 2025, and I approach my responsibilities with excitement and intensity.

I began my career in a sales office on the front line of the *TA-Q-BIN* business. There I learned that Yamato's origins and source of growth lie in its dedication to providing excellent service to the customers I met each day. At one time, the general consensus was that the business of delivering parcels to individuals could not be profitable. However, Yamato commercialized parcel delivery with the goal of adding convenience to the lives of customers in the communities it serves, growing it into the social infrastructure it is today.

Yet the current business environment is changing significantly. While the proliferation of e-commerce has driven expansion of the parcel delivery market, it has also diversified customer needs. In addition, rising prices, labor shortages, and new regulations governing driver working conditions in Japan known as the "2024 Logistics Problem" have created structural pressures that increase costs and reduce transport capacity. I do not think of these changes as simply headwinds. Rather, I see an exciting opportunity to further increase the value of *TA-Q-BIN* as social infrastructure by resolving these issues. We will implement structural reforms and evolve *TA-Q-BIN* so that it remains the service of choice among customers.

The capabilities of the people on the front lines of our businesses will drive our transformation. Since becoming president, I have visited sales offices across the country and had many discussions with employees on the front lines. I keenly felt their sense of crisis about the decline over the past several years in the marketing capabilities of our Sales Drivers, who are the source of our competitiveness.

To achieve sustainable growth, we are implementing a strategy of concentrating management resources on customer contact points. In more concrete terms, this has meant fundamental reforms and streamlining of business processes in our head office departments. By redeploying the resources generated from these reforms to our sales offices and other front-line locations, we are building a framework that enables Sales Drivers to gain a more in-depth understanding of our customers'

latent needs and offer new added value. Moreover, launching new products that address these customer needs will invigorate contact and dialogue between Sales Drivers and customers. We will then use the information we obtain face-to-face to uncover further needs and provide new value, which in turn will improve customer satisfaction and broaden our business opportunities.

Earnings growth driven by both the Corporate Domain and the *TA-Q-BIN* Domain is the foundation for sustainable Group growth. We will not emphasize volume in the Corporate Domain. Rather, we will increase profitability by addressing the diverse transportation needs and supply chain challenges of our customers, and by assiduously aligning pricing with the added value we provide. Our focus will be on effective, customer-centric account management that increases both the value we provide and earnings.

In addition, we will address structural inefficiencies such as deadheading that have emerged with the proliferation of e-commerce by increasing the efficiency of transport and sorting operations and by rigorously optimizing operating costs. We are fundamentally overhauling our transport methods, which involves transitioning from long-distance transport to relay transport and optimizing intermodal transport that encompasses rail, ship, and cargo plane. This is a critical initiative that will reduce costs and also address labor shortages.

We therefore transitioned to a business-centric management structure in April 2025 to address these priority issues quickly and generate sustainable results. The new management structure clarifies the responsibilities and authority of each business and enables quick decision-making. Furthermore, streamlining through a reorganization of our organizational hierarchy to integrate the front lines with the head office has made us an organization that can implement a rapid plan-do-check-act (PDCA) cycle. As a result of this transformation, the Group's priority initiatives for earnings growth have started to produce steady results.

Our current goal is to build a strong business foundation that balances earning power and social value. Committed to the Yamato Group's social mission, we are confident that the spirit of inclusive management guided by our Core Values will be the foundation that supports sustainable growth. Times may change, but our pledge to remain a company that customers appreciate and society needs will not.

Base Domain

Pricing Optimization (Corporate Domain) and Expansion of *TA-Q-BIN* Revenue (*TA-Q-BIN* Domain)

■ Business Environment

The *TA-Q-BIN* market continues to expand due to the proliferation of e-commerce. Diversifying customer needs include the ways they want to receive parcels. At the same time, factors that are pushing up costs are emerging. These include rising prices and the 2024 Logistics Problem. Furthermore, social changes such as increased inbound tourism demand along with Japan's declining birthrates, aging population, and rural depopulation are creating new business opportunities to leverage the strengths of the Yamato Group's customer relationships.

■ Issues to be Addressed

Transforming the *TA-Q-BIN* business into a stable source of earnings and cash flow is a key issue in achieving sustainable growth. We will improve profitability through pricing optimization based on adding value for large corporate clients, and by expanding transaction volume with small companies and individuals. Furthermore, we consider creating value that goes beyond *TA-Q-BIN* to be an essential task for maintaining the *TA-Q-BIN* network as a part of social infrastructure.

Initiatives to Resolve Issues

■ Pricing Optimization (Corporate Domain)

The Yamato Group will rigorously implement pricing based on added value to transform its revenue structure. We will step up pricing negotiations with low-profit customers and promote annual pricing reviews with existing customers. Account management will drive sustainable improvements in profitability. We will carefully explain the value the Group provides, obtain appropriate compensation for the value our customers want, and discuss measures to streamline workflows.

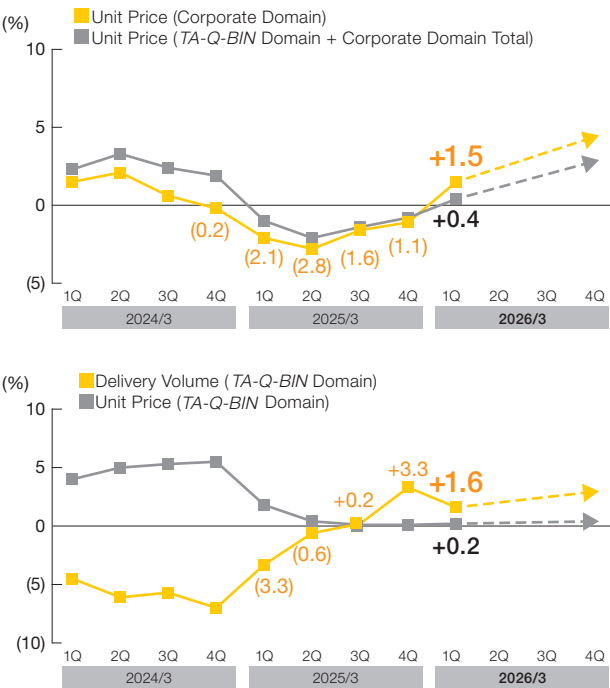
■ Expansion of *TA-Q-BIN* Revenue 1:
Strengthen Sales Capability (*TA-Q-BIN* Domain)

Our 54,000 Sales Drivers are a strength that we will leverage to increase sales at comparatively higher unit prices to small companies and individuals, with the objective of increasing volume and profitability. To create the resources for implementing this policy, we will streamline our organization, rationalize back-office operations, and free up management resources by promoting unattended deliveries, among other measures. We will also expand *TA-Q-BIN* sales by reallocating personnel to strengthen our sales capability, and by ramping up our new value-added offerings of carbon-neutral delivery and *Koneko-Bin 420*.

■ Expansion of *TA-Q-BIN* Revenue 2:
Implement Facility Strategy (*TA-Q-BIN* Domain)

Our facility strategy is a means to achieve efficiencies while creating new value, which will increase the sustainability of the *TA-Q-BIN* network as social infrastructure. We will facilitate work and raise efficiency by consolidating and relocating pick-up and delivery facilities, while expanding the number of pick-up and drop-off points to ensure customer convenience. We are also addressing new needs arising from increased inbound tourism and social changes by opening community-based *Nekosapo* stations that offer a wide range of services in addition to *TA-Q-BIN*. These stations create new revenue opportunities by providing luggage storage services for tourists and renting storage and packaging space to small businesses selling online.

TA-Q-BIN: Unit Price and Volume by Domain (vs. Previous Year)



Pick Up and Delivery Facilities

- Improved operating efficiency
- Enhanced work environment
- Concentration of facilities (Approximately 2,800 as of March 31, 2025)

Shipment-only Sales Offices

- More convenient *TA-Q-BIN* drop off and pick up
- Increase in number of locations (110 as of March 31, 2025)

Nekosapo

- Add value beyond *TA-Q-BIN*

Optimizing Operating Costs

■ Business Environment

TA-Q-BIN business operations are pressured by increasing costs due to external factors such as rising prices, labor shortages, and the 2024 Logistics Problem. Moreover, the imbalance in freight volume caused by the spread of e-commerce (with its disproportionate emphasis on outbound freight) is increasing the number of "one-way" freight operations where the return journey is empty, reducing efficiency throughout the transport network.

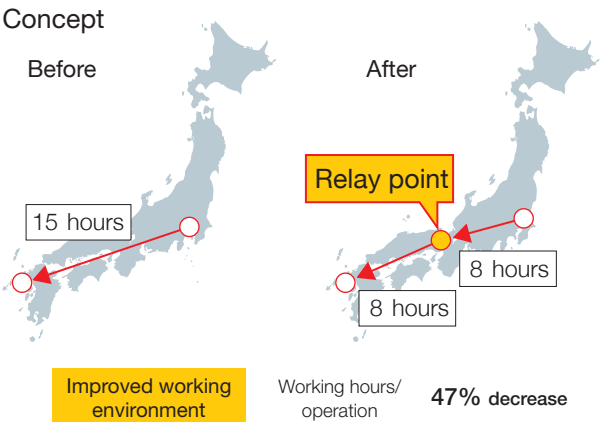
■ Issues to be Addressed

Given these structural changes, our top priority is to transform the *TA-Q-BIN* network into an efficient and sustainable platform. We are optimizing operating costs by improving transport and loading efficiency. This involves a complete overhaul of our transport methods that includes switching from long-distance transport to relay transport and restructuring our transport portfolio. In addition, we are simultaneously improving productivity and structuring a solid business foundation by optimizing the allocation of personnel for sorting work.

Initiatives to Resolve Issues

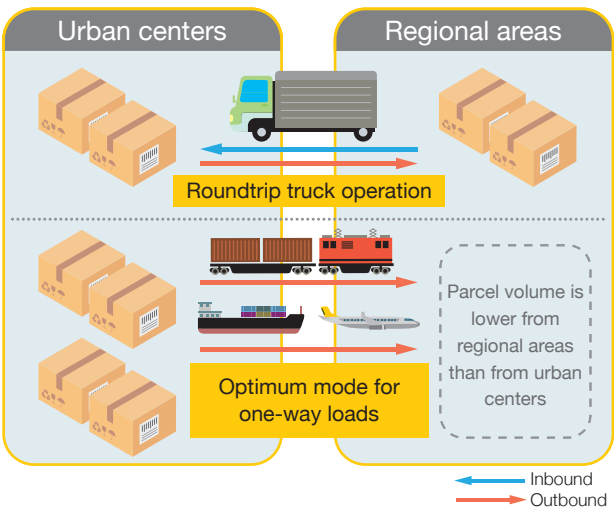
■ Transport Overhaul 1:
Transition to Relay Transport

We are addressing the 2024 Logistics Problem and transforming our approach to long-distance transport. The Group has strategically consolidated relay points throughout Japan into several large facilities that revolve around eight-hour shifts. We will improve the working environment for long-distance truck drivers while also fundamentally overhauling inefficient transportation practices. By switching from direct transport to relay transport for long-distance routes, where the unit price of outsourcing has skyrocketed due to a shortage of operators, we expect to increase transportation network sustainability and, depending on the route, optimize costs.



■ Transport Overhaul 2:
Restructure Our Transport Portfolio

We are completely overhauling our approach to transporting cargo to eliminate transport network inefficiencies such as deadheading. Fundamentally, we operate long-distance trucks round-trip according to the volume of cargo inbound to urban centers. Otherwise, we optimize outbound cargo transport away from urban centers by using intermodal transport encompassing rail, sea, and Group cargo aircraft. This will optimize transportation costs and build a sustainable, resilient transportation network that is unaffected by volume balance.



Close-Up

Improving Last-Mile Productivity

In the last-mile domain, we have addressed volume fluctuations and improved working environments over the past few years by consolidating and enlarging pickup and delivery facilities, which previously were multiple small locations primarily in urban areas. Our measures to continue enhancing productivity include optimizing allocation of personnel for pickup and delivery facilities, Sales Drivers, and other jobs, and

addressing customer needs for unattended delivery. We also intend to expand delivery volume for small companies and individuals. This will involve reorganizing pickup and delivery facilities based on regional market characteristics. We will also increase Sales Driver interaction with customers with little impact on productivity by adding pickup and sales to their delivery responsibilities.